



GLOSSARY

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.	Asset	Resources owned or held by a government which have monetary value.
Activity	Departmental efforts which contribute to the achievement of a specific set of program objectives; the smallest unit of the program budget.	Attrition	A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.
Ad Valorem Taxes	Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.	Authorized Positions	Employee positions, which are authorized in the adopted budget, to be filled during the year.
Allot	To divide an appropriation into amounts which may be encumbered or expended during an allotment period.	Available (Undesignated)	This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.
Annualize	Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.	Fund Balance	
Appropriation	A legal authorization to incur obligations and to make expenditures for specific purposes.	AZA	American Zoological Association
Assessed Valuation	The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.	Base Budget	Cost of continuing the existing levels of service in the current budget year.
Assessment Ratio	The ratio at which the tax rate is applied to the tax base.	B.A.D.G.E	Building Attitudes During Group Experiences
		Bond	A long-term I.O.U. of promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.
		Bond Refinancing	The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.
		Budget	A plan of financial activity for a specified period of time (fiscal

	year or biennium) indicating all planned revenues and expenses for the budget period.	Capital Outlay	Fixed assets which have a value of less than \$500 and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.
Budgetary Basis	This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.	Capital Project	Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.
Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.	Capital Reserve	An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.
Budgetary Control	The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.		
Capital Assets	Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.	Cash Basis	A basis of accounting in which transactions are recognized only when cash is increased or decreased.
Capital Budget	The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.	CCHDO	Chattanooga Community Housing Development Organization
Capital Improvements	Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.	Child Abuse	The Child Abuse Unit investigates child sexual abuse, child physical abuse and child neglect and any other cases that the supervision deems appropriate for the unit. They work very closely with the Child Advocacy Center, the Department of Children Services, other social agencies that promote children and the special child abuse prosecutor with the District Attorney's Office.
Capital Improvements Program (CIP)	A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.	CNE	Chattanooga Neighborhood Enterprise

COBRA	Consolidated Omnibus Budget Reconciliation Act	Cost-of-living Adjustment (COLA)	An increase in salaries to offset the adverse effect of inflation on compensation.
Collective Bargaining Agreement	A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).	CSO	Combined Sewer Overflow
		D.A.R.E	The Drug Abuse Resistance Education
		Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.
Commodities	Expendable items that are consumable or have a short life span. Examples include office supplies, gasoline, minor equipment, and asphalt.	Dedicated Tax	A tax levied to support a specific government program or purpose.
		Deficit	The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.
Constant or Real Dollars	The presentation of dollar amounts adjusted for inflation to reflect the purchasing power of money as compared to a certain point in time in the past.	Department	The basic organizational unit of government which is functionally unique in its delivery of services.
Consumer Price Index (CPI)	A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).	Depreciation	Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
		Development-related Fees	Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.		
Contractual Services	Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.	Disbursement	The expenditure of monies from an account.
		Distinguished Budget Presentation Awards Program	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Employee (or Fringe) Benefits	Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.	Fiscal Year	programming of government budgets and their funding. A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.
Encumbrance	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.	Fixed Assets	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
Entitlements	Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.	Full Faith and Credit	A pledge of a government's taxing power to repay debt obligations.
EPB	Electric Power Board	Full-time Equivalent	A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position.
Expenditure	The payment of cash on the transfer of property or services for the purpose of acquiring an asset, services or settling a loss.	Function	A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).
Expenses	Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.	Fund	A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.
Fiscal Policy	A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and	Fund Balance	The excess of the assets of a fund over its liabilities, reserves, and carryover.
		GAAP	Generally Accepted Accounting Principles. Uniform minimum standard for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation (GO) Bond	This type of bond is backed by the full faith, credit and taxing power of the government.	Internal Service Charges	revenues, and payments in lieu of taxes.
Goal	A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.		The charges to user departments for internal services provided by another government agency, such as data processing, municipal service station and garage or insurance funded from a central pool.
Grants	A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.	I.O.D.	Injury-on-duty
		Lapsing Appropriation	An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.
Hourly	An employee who fills a temporary or short-term position. Such employees provide contingency staffing for government operations during peak workloads, or to address temporary staffing need. Hourly employees are paid on a per hour basis, and receive limited benefits.	Levy	To impose taxes for the support of government activities.
		LIHEAP	Low Income Home Energy Assistance Program
		Line-item Budget	A budget prepared along departmental lines that focuses on what is to be bought.
Indirect Cost	A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.	Long-term Debt	Debt with a maturity of more than one year after the date of issuance.
		MBWWTP	Moccasin Bend Wastewater Treatment Plant
Infrastructure	The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).	Materials and Supplies	Expendable materials and operating supplies necessary to conduct departmental operations.
Interfund Transfers	The movement of monies between funds of the same governmental entity.	Mill	The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.
Intergovernmental Revenue	Funds received from federal, state and other local government sources in the form of grants, shared	Modified Accrual	Revenue is recognized in the accounting period when it

	becomes "susceptible" to accrual, that is, when it becomes measurable and available.			includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.
MPO	Metropolitan Planning Organization			
MTAS	Municipal Technical Advisory Service	Output Indicator		A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of refuse collections made, or number of burglary arrests made). Output indicators do not reflect the effectiveness or efficiency of the work performed.
Net Budget	The legally adopted budget less all interfund transfers and interdepartmental charges.			
Nominal Dollars	The presentation of dollar amounts not adjusted for inflation. Adjusting for inflation would be done to reflect the real purchasing power of money today.	P.A.L.		Police Athletic League
		Pay-as-you-go Basis		A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.
Object of Expenditure	An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.	Performance Budget		A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.
Objective	Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.	Performance Indicators		Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.
Obligations	Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.	Performance Measure		Data collected to determine how effective or efficient a program is in achieving its objectives.
		Personal Services		Expenditures for salaries, wages, and fringe benefits of a government's employees.
Operating Expenses	The cost for personnel, materials and equipment required for a department to function.	Prior-Year Encumbrances		Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances
Operating Revenues	Funds that the government receives as income to pay for ongoing operations. It			

	when the obligations are paid or otherwise terminated.		required for expenditure in the current budget year or to earmark revenues for a specific future purpose.
PILOT	Payment in lieu of taxes	Resolution	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
Program	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.	Resources	Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.
Program Budget	A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.	Revenue	Sources of income financing the operations of government.
Program Performance Budget	A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.	Revenue Bond	This type of bond is backed only by the revenues from the specific enterprise for project, such as a hospital or toll road.
		Service Lease	A lease under which the lessor maintains and services the asset.
		Service Level	Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.
Program Revenue (Income)	Revenues earned by a program, including fees for services, license and permits, fees, and fines.	Site-based Budgeting	A decentralized budget process whereby budget preparation and development are based on individual school (and department) sites.
PSC	Public Service Commission	Source of Revenue	Revenues are classified according to their source or point of origin.
Purpose	A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.	SRO	School Resource Officer
		SSO	Sanitary Sewer Overflow
Reserve	An account used either to set aside budgeted revenues that are not	Supplemental Appropriation	An additional appropriation made by the governing body after the budget year or biennium has started.

Supplemental Requests	Programs and services which departments would like to have added (in priority order) over their target budget, or if revenue received is greater than anticipated.	Unreserved Fund Balance	amount of money still available for future purposes. The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.
Target Budget	Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on the prior year's adopted budget, excluding one-time expenditures, projected revenues, and reserve requirements.	User Charges	The payment of a fee for direct receipt of a public service by the party who benefits from the service.
		VAAP	Volunteer Army Ammunition Plant
		Variable Cost	A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.
Tax Levy	The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.	Working Cash	Excess of readily available assets over current liabilities. Or cash on hand equivalents which may be used to satisfy cash flow needs.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.	Workload Indicator	A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).
		Work Years	The amount of personnel resources required for a program expressed in terms of the "full-time equivalent" number of employees. One "work year" is equal to one full-time, year-round employee. For most categories, this equals 2,080 hours year (40 hours per week times 52 weeks). The number of hours a part-time employee is budgeted to work during the year is divided by 2,080 to arrive at the equivalent number of "work years" for the position.
TOSHA	Tennessee Occupational Safety and Health Administration		
Transfers In/Out	Amounts transferred from one fund to another to assist in financing the services for the recipient fund.		
TRPA	Tennessee Recreation and Parks Association		
Unencumbered Balance	The amount of an appropriation that is neither expended nor encumbered. It is essentially the		

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